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**State of Vermont  
Public Service Board**

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MEMORANDUM

To: Vermont General Assembly  
Office of Legislative Council

From: James Volz, Chairman, Vermont Public Service Board

Re: Report on Self-managed Energy Efficiency Programs for 2015 Program Year

Date: May 2, 2016

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Section 209(j)(4)(G) of Title 30 requires the Vermont Public Service Board to provide a report to the Vermont General Assembly annually by April 30 concerning the "prior calendar year's class of self-managed energy efficiency programs." Accordingly, I am forwarding the enclosed report to you in satisfaction of this statutory directive for the 2015 program year.

As always, please do not hesitate to contact me if you have any questions.

**Annual Report to the Vermont General Assembly**

**Pursuant to**

**30 V.S.A. § 209(j)(4)(G)**

by the

Vermont Public Service Board

May 2, 2016

The Self-Managed Energy Efficiency Program (“SMEEP”) was created in 2009 by Act 45<sup>1</sup> to allow eligible transmission and industrial ratepayers to manage their own energy efficiency programs and to thereby be exempted from the energy efficiency charge that funds the Energy Efficiency Utility under 30 V.S.A. § 209(d)(3). As a condition of participating in the Program, an exempt ratepayer must commit to spending an annual average of no less than \$1 million over a three-year period on energy efficiency investments. SMEEP became effective on January 1, 2010.

Pursuant to 30 V.S.A. § 209(j)(4)(G), the Public Service Board (“Board”) shall report to the general assembly annually by April 30 concerning the prior calendar year’s class of self-managed energy efficiency programs. The report shall include identification of participants, their annual investments, and resulting savings, and any actions taken to exclude entities from the program.

#### Identification of Participants

GlobalFoundries is the only participant in SMEEP. GlobalFoundries assumed ownership of the IBM-Vermont facility on July 1, 2015, and assumed the obligations and outstanding commitments made by IBM relative to the SMEEP program.

#### Annual Investments

GlobalFoundries invested approximately \$926,624 in energy efficiency projects that were completed at its facility in 2015. IBM invested approximately \$1,140,271 in 2014 and approximately \$1,119,125 in 2013. The average investment over this three-year period was \$1,062,007.

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1. Public Act 45, § 14 (2009 Vt., Bien. Sess.), now codified as 30 V.S.A. § 209(j).

### Annual Savings

GlobalFoundries estimates that the investments it installed in 2015 will save approximately 3,083,934 kWh per year in electricity and 8,364 MMBTU in fuel.<sup>2</sup> In addition, GlobalFoundries estimates that its 2015 investments will last for 20 years, and will save approximately 61,678,680 kWh in electricity and 167,280 MMBTU in fuel over the lifetime of these investments.

### Actions Taken to Exclude Entities From SMEEP

Section 209(j)(4) requires that, in order to be eligible to participate in SMEEP, a ratepayer must have paid a minimum of \$1.5 million in energy efficiency charges in calendar year 2008. The Board is not aware of any entities, other than GlobalFoundries, that meet this criterion, and IBM — now GlobalFoundries — is the only entity that has applied to participate in SMEEP.<sup>3</sup> Therefore, the Board has taken no action to exclude any entity from SMEEP.

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2. Pursuant to the program design proposed by the Department of Public Service (“Department”) and approved by the Board, the Department is required to verify the savings estimated by Program participants. *See Order establishing a self-managed energy efficiency program (“SMEEP”),* 12/28/09 and attachment. As of the date of this report, this verification has not yet taken place for the calendar year 2015 estimates provided by GlobalFoundries.

3. In its application, IBM stated that it paid more than \$1.5 million in energy efficiency charges in 2008. *See Order establishing a self-managed energy efficiency program (“SMEEP”),* 12/28/09, at 8.